

**Mountain
Fuel**
A QUESTAR COMPANY

P.O. BOX 45360

SALT LAKE CITY, UTAH 84145-0360

PHONE (801) 534-5555

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PUBLIC
SERVICE COMMISSION

November 10, 1997

Ms. Julie Orchard
Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84110

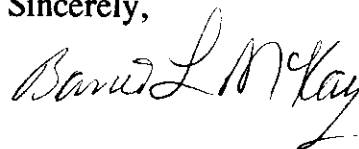
Dear Ms. Orchard:

Re: Mountain Fuel's Monthly Report of
Intercompany Loan Activity as
Required by the Commission in its
Order in Case No. 85-057-09

Enclosed for filing with the Commission are three copies of forms showing Mountain Fuel Supply Company's intercompany loan activity in September. The forms show that Mountain Fuel has loaned Questar \$0.00 as of September 30, 1997. Also enclosed are three copies of the computation of the intercompany interest rates for October 1997.

If there are any questions or if the Company can provide additional information, please let me know.

Sincerely,



Barrie L. McKay
Director Regulatory Affairs

BLM/edz
Enclosures



MOUNTAIN FUEL SUPPLY COMPANY

INVESTMENT REGISTER — LOANS TO QUESTAR CORPORATION

[illegible]

The intercompany interest rate calculation for the month of October, 1997 is shown below:

Market Borrowing Rate (1 month)	5.83%
Market Investment Rate (1 month)	<u>5.57%</u>
	11.40%
Intercompany Interest Rate (Average)	<u>5.70%</u>